1940 General Letter No. 11 1940 Cotton Marketing Quota Letter No. 1

UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL ADJUSTMENT ADMINISTRATION Washington, D. C.

April 20, 1940

To All Administrative Officers and State Committeemen, Agricultural Adjustment Administration, Southern Region.

Re: Classification of Sea Island and American-Egyptian Cotton



A number of inquiries have been received by this Division regarding the treatment, under the farm program, of Sea Island and American-Egyptian cotton of the 1940 crop.

Under the 1940 Agricultural Conservation Program cotton produced from a certified pure strain of Sea Island or American-Egyptian cotton is considered a general soil-depleting crop in areas designated by the Agricultural Adjustment Administration as areas in which the production of such cotton is an established business and in which ginning facilities designed for the ginning of long staple cotton are readily accessible to producers. In areas not so designated if the cotton produced on a particular acreage is classified, after ginning, by a federally-licensed cotton classified as having a staple of 1-1/2 inches or more in length such cotton shall be considered a general soil-depleting crop. Land planted to all other kinds of cotton will be considered as planted to cotton the staple of which is less than 1-1/2 inches in length and the acreage devoted thereto will be charged against the cotton acreage allotment determined for the farm.

Although the regulations pertaining to cotton marketing quotas for the 1940-1941 marketing year have not been issued, it is contemplated that when such regulations are issued the provisions of the regulations for long staple cotton will be substantially in accord with the provisions of the 1940 Agricultural Conservation Program. In that event, marketing cards will probably be issued according to the following plan. The county committee, in areas designated by the Agricultural Adjustment Administration, may issue a white marketing card with respect to farms on which a certified pure strain of Sea Island or American-Egyptian cotton is produced, provided that (1) the sum of the acreages on the farm planted in 1940 to all other kinds of cotton is not in excess of the cotton acreage allotment determined for the farm, (2) the producer is likely to use facilities specifically designed for ginning such Sea Island or American-Egyptian cotton, and (3) no producer on the farm has carry-over penalty cotton. In areas not so designated or in any case where the producer is not likely to use facilities designed specifically

for ginning Sea Island or American-Egyptian cotton, red marketing cards will be issued if the sum of the acreages on the farm planted in 1940 to all kinds of cotton, including a certified pure strain of Sea Island or American-Egyptian cotton, is in excess of the cotton acreage allotment determined for the farm or if any producer on the farm has carry-over penalty cotton. On such a farm any cotton marketed in excess of the quota will be subject to the penalty unless it is established by a certificate from a federally-licensed classifier to the effect that such cotton has a staple of 1-1/2 inches or more in length.

I. W. Duggan,

Director, Southern Division.

1940 General Letter No. 12

UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL ADJUSTMENT ADMINISTRATION Washington, D. C.

4 1940

May 15, 1940.

To all Administrative Officers and State Committeemen, Agricultural Adjustment Administration, Southern Region.



The funds for paying the registered mail fees in connection with the mailing of marketing quota review committee determinations to farmers may be furnished by the association treasurer out of his personal funds, or may be obtained by making claim therefor in advance for the estimated amount to be incurred against the administrative expense funds approved in the budget of the county committee.

In case the registered mail fees are paid out of the personal funds of the association treasurer, a claim for reimbursement should be made by him on Form ACP-9, Revised, in accordance with paragraph 3(c), Part C of section I of SR County Association Procedure 101, Revised. If the amount of these fees will not be large, this method would appear to be desirable since it conforms to the established procedure for supplying the association with postage. Where payment for registered mail fees is paid out of the personal funds of the association treasurer and he is reimbursed out of the administrative expense funds in accordance with the established procedure, the post office receipts shall be filed with the county office copy of the Form ACP-11 containing the receipt from the association treasurer for the funds paid to him under his claim for expenses in connection with the registered mail fees.

If the amount of the registered mail fees in any month will be large, a claim for the estimated amount to be incurred may be stated in the administrative expense voucher for the preceding month. In stating a claim in advance for this purpose, the item should be listed on Form ACP-9, Revised, as in the case of other miscellaneous items, with the following exceptions:

- (1) In the column headed "Name of Individual or Firm", enter the name, title, and address of the postmaster to whom the registered mail fees will be paid.
- (2) In the column headed "Nature of Service or Kind or Material", enter the words "Estimated Post Office Registration Fees for Mailing Marketing Quota Review Committee Determinations".

(3) Make no entry in the columns headed "Quantity" and "Price per Unit".

When an advance claim is so stated, no receipt or bill will accompany the statement of administrative expenses to substantiate the item; however, a receipt must be obtained from the postmaster on Form ACP-11 when the registered mail fees are actually paid. The postmaster's receipt for fees paid from funds so advanced shall be obtained on Forms ACP-11 filed with subsequent vouchers and the official post office registered mail receipts must be filed with the county office copy of the Form ACP-11 containing the receipt from the postmaster.

I. W. Duggan,

Director, Southern Division.

1940 General Letter No. 13.

UNITED STATES DEPARTMENT OF AGRICULTURE Agricultural Adjustment Administration

Washington, D. C.

June 15, 1940.

To all Administrative Officers and State Committeemen, Agricultural Adjustment Administration, Southern Division.

Re: Regulations governing the examination of records of the Department of Agriculture or the giving of testimony with reference to the contents there-

Section 22, Title 5, of the United States Code (R. S. Sec. 161) authorizes the head of each executive department of the Government to prescribe regulations for the government of his department. This section of the code reads as follows:

"Departmental regulations. The head of each department is authorized to prescribe regulations, not inconsistent with law, for the government of his department, the conduct of its officers and clerks, the distribution and performance of its business, and the custody, use, and preservation of the records, papers, and property apportaining to it."

Section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, authorized the Secretary of Agriculture, among other things, to issue regulations by providing, in pertinent part, as follows:

"* * * The Secretary shall make such regulations as are necessary relating to the selection and exercise of the functions of the respective committees, and to the administration, through such committees, of such programs."

Section 1533 of the Regulations of the Department of Agriculture relates to examining and/or obtaining copies of or testimony concerning official records. This section of the regulations was amended by an order of the Secretary of Agricilture dated December 20, 1939. The added portion of this section, which relates particularly to the records of the Agricultural Adjustment Administration, the Federal Crop Insurance Corporation, and the Sugar Division, reads as follows:

"The remainder of this Regulation is issued pursuant to authority vested in the Secretary, and especially pursuant to the provisions of Section 161 of the Revised Statutes of the United States (United States Code, Title 5, Section 22) and the several statutes authorizing the activities of the Agricultural Adjustment Administration, the Federal Crop Insurance Corporation, and the Sugar Division of the Department, and includes and supersedes General Office Order No. 52, issued by the Administrator, Agricultural Adjustment Administration, April 15, 1935, and General Office Order No. 52, Amended, issued December 26, 1935, with respect to the records (except drafts not finally acted upon and except records of the kind designated by the head of the agency as records which in the public interest shall, for the period fixed by him, be used or examined only by the Department) of or in the custody of the Agricultural Adjustment Administration, and is intended also to define more particularly the general policy of the Department with respect to all records, wherever located, of the Agricultural Adjustment Administration, the Federal Crop Insurance Corporation, and the Sugar Division.

"Such records of the above-named agencies and of the county agricultural conservation associations, the previous county production control associations, and the State, county, community, and other local committees heretofore or hereafter utilized in administering the programs under the supervision of such agencies are the property of the Government of the United States entrusted to the custody of the respective agencies of the Department of Agriculture and, therefore, no court or administrative body in the absence of authority granted by or under Federal statute has authority to compel the production of such records or giving of testimony respecting the same. Inasmuch as the inspection or examination of, the furnishing of information concerning, or the production of such records, or the giving of testimony concerning the same, in court or elsewhere, causes additional expense and loss of time to the Government and its agencies having charge of them, unless otherwise provided in or pursuant to Federal statute such records will not be open to inspection or examination, information or testimony as to their contents will not be furnished and they will not be produced in court or administrative proceedings, except in the following cases and then only on condition that no order purporting to be a subpoena or other compulsory process be issued or allowed to stand;

"(a) to or for producers who were or are, or were or are entitled to be, signatories to or parties beneficiary under acreage or production adjustment contracts or applications therefor pursuant to the Agricultural Adjustment Act (1933) or crop insurance contracts, work sheets, applications for any payment or other benefit under any statute, or applications for any exemption or benefit under the Bankhead Cotton Control Act, the Kerr-Smith Tobacco Control Act, the Potato Act of 1935, the Agricultural Adjustment Act of 1938, or any other statute herotofore or hereafter enacted authorizing agricultural programs, provided that in case of production of such records, or testimony concerning them, in court or administrative proceedings the prior approval of the head of the agency having responsibility for such records is first obtained:

- "(b) to or for persons authorized in the articles of association of county agricultural conservation associations to have access to the records referred to in such articles and subject to the limitations therein;
- "(c) to or for a department, bureau (of this or any other department), independent establishment, or other agency, or duly authorized representative thereof, of the executive branch of the Federal Government or any member of Congress, Delegate, or Resident Commissioner, upon request to and with the prior approval of the head of the agency having responsibility for such records;
- "(d) to or for State Governments or agencies thereof, upon request to and with the prior approval of the head of the agency having responsibility for such records;
- "(o) to or for any other person who establishes the facts (i) that any right of his may be adversely affected unless he obtains proof of facts shown in such records or that he has a pecuniary interest in the subject-matter of such records or in any property to which they relate, (ii) that the administration of justice requires proof of the facts shown in such records, and (iii) that such proof cannot be obtained elsewhere or otherwise, upon request to and with the prior approval of the head of the agency having responsibility for such records.

"Mailing lists or addresses of producers shall not be supplied, or allowed to be compiled, under any circumstances except for the use of the county agricultural conservation committee and the State agricultural conservation committee and except for the use of any agency of the Department of Agriculture upon request to and with the prior approval of the head of the agency having responsibility for such records. (See Regulation 1536.)

"The approval provided for in items (a), (c), (d), and (e), above, and in the sentence immediately preceding this sentence may be given generally or in particular cases by the administrator of the Agricultural Adjustment Administration, the manager of the Federal Crop Insurance Corporation, and the chief of the Sugar Division, or officers designated by them, in matters within their respective jurisdictions.

"The giving of any testimony, the production, inspection, or examination of any records, or the divulging of the contents thereof by or to any person or agency in pursuance of this Regulation shall not be permitted to impede or delay the routine work of the office concerned. Whenever any such record is produced in any court or administrative proceeding it shall remain in the possession of an officer or employee of the agency in whose custody it is and shall not be physically incorporated in the record of such proceeding, and upon the conclusion of his appearance in such proceeding it shall be returned to the place from which it was taken.

"The provisions of this Regulation are applicable to all records which may now or hereafter belong to or be in the custody of any of the above-mentioned agencies of the Department or any of the above-mentioned associations or committees, or their successors. Nothing contained in this Regulation shall be construed to prevent full access to such records being given to any duly authorized representative of the Department of Justice, the General Accounting Office, the Bureau of Internal Revenue, or the Secret Service of the United States, promptly upon presentation of his credentials."

You are informed that these regulations have been pronounced valid by the Solicitor of the Department of Agriculture, and that the United States Department of Justice has successfully relied upon them

in the few cases the Agricultural Adjustment Administration has had to bring to its attention. It is also of interest to know that regulations made under Section 161 of the Revised Statutes denying access on the part of private persons to records of Government Departments and denying the production thereof in court have been sustained by the Supreme Court of the United States.

If any attempt is made to compel the production, without the permission which may be given by the Southern Division, of any agricultural conservation association record or testimony concerning it, in any court or before any administrative body, the text of the regulations as shown herein should be brought to the attention of the officer bearing the summons or subpoena and if he insists thereafter on serving such summons or subpoena the regulations should be brought to the attention of the court or administrative body and request made that it postpone action in the matter of the production of the record or testimony until the United States Attorney is afforded an opportunity to appear and defend the interests of the Federal Government. The circumstances should be brought promptly to the attention of the Southern Division, and will, if necessary, be forwarded to the Solicitor of the Department for handling. If the court or administrative body proposes to act within a time too short to follow the usual course, the county office or the State office, as the case may be, should bring the matter directly to the attention of the United States Attorney's office, if necessary by telegraph or telephone. A copy of this memorandum should be made available to the United Statea Attorney in such emergency cases. However, in all but an emergency situation, the Southern Division should be informed and action should be taken only on advice received from Washington.

Care should be taken to inform the court and the persons who desire the production of records or testimony concerning their contents that it is the policy of the Department to cooperate and be of assistance in the doing of justice in the courts, but it must appear that such action will not be inconsistent with the best interests of the Department.

It is important that the following information be contained in any letter or telegram informing this division of any proceedings instituted in court in which an officer of a county agricultural conservation association, a committeeman, or an employee is requested to produce any records or give testimony with respect to the contents of any records of a county association:

- (1) The names of the parties litigant;
- (2) The title and location of the court in which the proceedings are instituted;

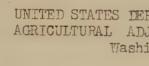
- (3) The purpose of the proceedings;
- (4) The interest of the person requesting the records or testimony concerning their contents;
- (5) The date upon which the summons or subpoena was served upon the county committeeman, officer, or employee.
- (6) The time stated in such summons or subpoena for appearing in court or producing records in court.

You are requested immediately to forward to each county association in your State a copy of this memorandum.

Very truly yours,

A.W. Lluggan

I. W. Duggan, Director,
Southern Division.



UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL ADJUSTMENT ADMINISTRATION S. Congression Washington, D. C.

August 24. 1940

To All Administrative Officers and State Committeemen. Agricultural Adjustment Administration, Southern Region.

> Re: Abandonment or sale of crop as it affects division of 1940 agricultural conservation and parity payments.

There are set out below certain questions which have been raised. together with the answers thereto, regarding the division of payment under the 1940 Agricultural Conscruation and Parity Payment Programs in cases of abandonment or sale of a crop prior to or during harvest.

- 1. Q. What constitutes "abandonment" of a crop by a tenant or sharecropper?
 - A. Failure by the tenant or sharecropper to carry out needed cultivation or failure to harvest the crop plus his voluntarily leaving the farm without making provision for cultivation and/ or harvest of the crop at his expense or on his account.
- 2. Q. Under what circumstances is a person considered to have harvested the crop in the various circumstances mentioned herein?
 - When he actually harvests the crop by his own labor or hires A . or obtains one or more other persons to harvest it on his behalf.
- When will the yield of a crop be deemed to justify the harvest 3. Q.
 - A. When the circumstances would prompt a reasonable and prudent person to remain and complete the cultivation and/or harvest of the crop. If it is determined that the value of the actual yield was a reasonable return for the expense and effort expended to complete the cultivation and/or harvest of the crop and that the crop was harvested from a substantial portion of the abandoned acreage, it should be determined that the yield justified the harvest regardless of the prospects for production immediately after the crop damage occurred.
- Under what circumstances will a person who, before the beginning of harvest, has lost control of a crop through sale

or legal process be considered to have retained his position as a producer on the farm?

- A. Only if he continues during the remainder of his tenure under the lease or operating agreement to be engaged in the production and/or harvest of a crop in which he is entitled to share at the time of harvest. Example: If tenant A on a given farm has 10 acres of cotton, 7 acres of corn, and 3 acres of other crops such as hay, etc., but through sale or legal process loses control of his cotton crop before the beginning of harvest, he will be considered to have retained his position as a producer on the farm if he remains on the farm and produces and/or harvests the corn or the hay crop or both or obtains someone else to carry on such production and/or harvest for his account, even though he may physically leave the farm in the latter case.
- Who is entitled to the parity payment when a tenant or sharecropper voluntarily abandons a crop, a substantial part of
 which justifies harvest but no part of which is harvested by or
 for him, where the abandonment occurred (a) prior to certification of the application for payment by the county committee or
 (b) subsequent to such certification?
 - A. (a) The person who succeeded to the tenant's or sharecropper's interest in the crop, that is, the person by whom it was harvested. (b) The tenant or sharecropper who abandoned his crop.
- 6. Q. Who is entitled to the conservation payment when a tenant or sharecropper voluntarily abandons a cotton crop a substantial part of which justifies harvest but no part of which is harvested by him?
 - A. Same answer as to question 5(a).
- 7. Q. Who is entitled to the parity payment where one or more plots of cotton cultivated by a tenant or sharecropper are destroyed by flood, hail, drought, or insects and the tenant or sharecropper also has a substantial acreage of cotton on the farm which is not destroyed and which justifies the harvest thereof but which is voluntarily abandoned by him before the beginning of harvest where the abandonment occurred (a) prior to certification of the application for payment by the county committee or (b) subsequent to such certification?
 - A. (a) The successor-in-interest by whom the undestroyed portion of the crop is harvested is entitled to the payment computed with respect to the entire acreage of cotton cultivated by the tenant or sharecropper who abandons his crop. (b) The tenant or sharecropper who was properly recognized as a producer on the farm on the date the county committee certified

the application for payment.

- 8. Q. Who is entitled to the <u>conservation</u> payment where one or more plots of cotton cultivated by a tenant or sharecropper are destroyed by flood, hail, drought, or insects and the tenant or sharecropper also has a substantial acreage of cotton on the farm which is not destroyed and which justifies the harvest thereof but which is voluntarily abandoned by him before the beginning of harvest?
 - A. The successor-in-interest by whom the undestroyed portion of the crop is harvested is entitled to the payment computed with respect to the entire acreage of cotton cultivated by the tenant or sharecropper who abandons his crop.
- 9. Q. Who is entitled to the parity payment and the conservation payment computed with respect to a crop cultivated by a tenant or sharecropper when such crop is entirely destroyed by flood, hail, drought, or insects?
 - A. The tenant or sharecropper who cultivated the crop up to the time of its destruction is entitled to the payments regardless of whether he remains on or leaves the farm after the crop was destroyed and regardless of when it was destroyed.
- 10. Q. Who is entitled to the parity payment when a tenant or sharecropper, prior to the beginning of harvest, agrees to and
 accepts, as payment for his interest in a crop, the cancelation of his furnish account and payment by the hundred for
 picking cotton or some other consideration and at the same
 time voluntarily relinquishes his position as a producer on
 the farm where the change occurs (a) prior to certification
 of the application for payment by the county committee, and
 (b) subsequent to such certification?
 - A. (a) The successor-in-interest who assumes the duties and obligations of the tenant or sharecropper with respect to the crop. In order to protect the interests of the parties concerned, there must be filed in the county office satisfactory evidence sufficient to support a determination by the county committee that the transaction was consummated with the voluntary approval of both parties and that the tenant or sharecropper knew at the time he entered into the arrangement that in relinquishing his position as a producer on the farm he was abandoning in favor of his successor-in-interest the right to the parity payment with respect to his interest in the crops. A statement signed by the person selling the crop and the successor-in-interest, setting forth precisely and fully the terms of the agreement

and stating that no coercion by threat or otherwise was involved, is preferable. (b) The tenant or sharecropper who cultivated the crop.

- 11. Q. Who is entitled to the <u>conservation</u> payment when a tenant or sharecropper, prior to the beginning of harvest, agrees to and accepts, as payment for his interest in a crop, cancelation of his furnish account and payment by the hundred for picking cotton or some other consideration and at the same time voluntarily relinquishes his position as a producer on the farm?
 - A. The successor-in-interest who assumes the duties and obligations of the tenant or sharecropper with respect to the crop. In order to protect the interests of the parties concerned, there must be filed in the county office satisfactory evidence sufficient to support a determination by the county committee that the transaction was consummated with the voluntary approval of both parties and that the tenant or sharecropper knew at the time he entered into the arrangement that in relinquishing his position as a producer on the farm he was abandoning in favor of his successor-in-interest the right to the conservation payment with respect to his interest in the crop. A statement signed by the person selling the crop and the successor-in-interest, setting forth precisely and fully the terms of the agreement and stating that no coercion by threat or otherwise was involved, is preferable.
- 12. Q. Who is entitled to the parity payment and conservation payment when a tenant or sharecropper, prior to the beginning of harvest, agrees to and accepts, as payment for his interest in a crop, the cancelation of his furnish account and payment by the hundred for picking cotton or some other consideration but does not relinquish his position as a producer on the farm?
 - A. The tenant or sharecropper who cultivated the crop.
- 13. Q. Is a tenant or sharecropper entitled to share in the parity payment computed with respect to his crop if, after the beginning and before the completion of harvest and before certification of the application for payment by the county committee, he voluntarily abandons his crop?
 - A. The tenant or sharecropper is entitled to share in the parity payment in the same proportion that the amount (pounds, bushels, etc.) of his crop harvested by or for him bears to the total production of his producer unit.
- 14. Q. Is a tenant or sharecropper entitled to share in the conservation payment computed with respect to his crop if, after

the beginning and before the completion of harvest, he abandons his crop?

- The tenant or sharecropper is entitled to share in the payment in the same proportion that the amount (pounds, bushels, etc.) of his crop harvested by him bears to the total production of his producer unit. Example -- applicable to both conservation and parity payments: If a 1/2 sharecropper with a 9-acre cotton crop loses his interest in the crop by abandonment, sale. or legal process and voluntarily relinquishes his position as a producer on the farm after 3 bales of cotton have been harvested, and 2 bales of cotton are subsequently harvested by the owner-operator, the following acreage shares would be shown for the sharecropper and the owner-operator: 2.7 acres for the sharecropper (60% of his original acreage share of 4.5 acres) and 6.3 acres for the owner-operator.
- 15. Q. Under what circumstances should changes in acreage shares from those shown on the performance report be made on the parity payment or agricultural conservation application?
 - Changes should be made only after clear and convincing proof has been submitted to the county committee to show that a given producer is no longer entitled, under the provisions set out herein, to share in the payment with regard to the crop(s) in question. In each case where a change is reported. the producer originally shown on the performance report should be advised in writing of the reported change and informed that he will be given 15 days to present any contrary evidence.

J. W. Duggan

Director, Southern Division.

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